



December 18, 2015

Honorable Mark Leno, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Shirley Weber, Chair
Assembly Budget Committee

Honorable Ricardo Lara, Chair
Senate Appropriations Committee

Honorable Jimmy Gomez, Chair
Assembly Appropriations Committee

Department of Resources Recycling and Recovery—Wildfire Debris Removal Costs

Pursuant to subdivision (c) of section 8690.6 of the Government Code, the following report is respectfully submitted.

In September, the state received approval of requests for Presidential major disaster declarations for the Valley and Butte Fires, which together have burned more than 145,000 acres, taken lives, and destroyed thousands of homes and structures.

The devastation caused by these fires is extraordinary. The state took immediate action to begin efforts to safely remove huge amounts of burned debris to eliminate the threat to lives, public health, and safety. Debris removal must continue expeditiously to enable community rebuilding and economic recovery of impacted communities. Debris hazards include asbestos, heavy metals, structural debris, ash, concrete foundations, and metals.

In order to provide funding for efforts that were needed immediately in the burned areas, the Department of Finance (Finance), pursuant to section 8690.6 (b) of the Government Code, authorized a transfer of \$10 million from the Special Fund for Economic Uncertainties to the Disaster Response-Emergency Operations Account on September 24, 2015. That amount represented an initial transfer to the Department of Resources Recycling and Recovery (CalRecycle), the state entity coordinating debris removal efforts under the direction of the California Office of Emergency Services. On November 6, 2015, Finance authorized a second transfer of \$45 million to continue coordinated debris removal activities through the end of November. Finance has been monitoring costs since the initial notification was sent to the Legislature on September 24, 2015.

In both reports, Finance acknowledged that additional funds would be needed to aid the cleanup and debris removal efforts. Additional funds are needed at this time to aid the cleanup and debris removal activities through the 120 days allowed by section 8690.6 (a) of the Government Code. The increased costs are attributable to the following key factors: (1) lot sizes are larger than expected, (2) lots contain more debris than expected, and (3) the number of land owner requests for cleanup has increased.

In order to continue debris removal activities through the 120-day time period, Finance, pursuant to section 8690.6 (b) of the Government Code, will be authorizing a transfer of \$83 million from the Special Fund for Economic Uncertainties to the Disaster Response-Emergency Operations Account today.

It is anticipated at this time that additional funds will be necessary beyond the timeframe authorized for the Disaster Response-Emergency Operations Account. The Administration will be seeking a supplemental appropriation to complete the necessary work. At this time, it is anticipated that CalRecycle will require a supplemental appropriation of \$105 million in January 2016.

The magnitude and complexity of these cleanup activities is unprecedented, complicating cost estimates. While this transfer will support cleanup efforts through the end of the 120-day time period authorized in subdivision (a) of section 8690.6 of the Government Code, the state faces significant future fiscal risks if more property owners request cleanup or if nearby landfills reach capacity necessitating travel to more distant landfills.

Finance continues to expect that a significant amount of these costs will be eligible for federal reimbursement. Finance will continue to monitor cleanup efforts related to the fires and will be assessing over the next several weeks the need for additional funding to support these efforts.

If you have any questions or need additional information regarding this matter, please call Matt Almy, Assistant Program Budget Manager at (916) 324-0043.

MICHAEL COHEN

Director

By:

A handwritten signature in black ink, appearing to read "Keely M. Bosler", is written over the printed name and title of the signatory.

KEELY M. BOSLER

Chief Deputy Director

cc: Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Honorable Lois Wolk, Chair, Senate Budget and Fiscal Review Subcommittee No. 2
Honorable Richard Bloom, Chair, Assembly Budget Subcommittee No. 3
Mr. Mac Taylor, Legislative Analyst (3)
Mr. Mark Ibele, Staff Director, Senate Budget and Fiscal Review Committee
Mr. Mark McKenzie, Staff Director, Senate Appropriations Committee
Mr. Joseph Shinstock, Senate Republican Fiscal Office
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christian Griffith, Chief Consultant, Assembly Budget Committee
Mr. Pedro R. Reyes, Chief Consultant, Assembly Appropriations Committee
Mr. Eric Swanson, Staff Director, Assembly Republican Fiscal Committee
Mr. Seren Taylor, Director of Strategic Policy, Assembly Republican Leader's Office
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Scott Smithline, Director, Department of Resources Recycling and Recovery
Mr. Ken DaRosa, Chief Deputy Director, Department of Resources Recycling and Recovery
Mr. Tom Estes, Deputy Director, Administration, Finance, and Information Services, Department of Resources Recycling and Recovery
Ms. Nancy Ward, Chief Deputy Director, California Office of Emergency Services